

**MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF
VISTA OAKS MUNICIPAL UTILITY DISTRICT**

June 10, 2019

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

A meeting of the Board of Directors of Vista Oaks Municipal Utility District was held on June 10, 2019, at the offices of Gray Engineering, Inc., 8834 N. Capital of Texas Highway, Suite 140, Austin, Texas. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act. A copy of the Certificate of Posting of the Notice is attached as **Exhibit "A"**.

The roll was called of the members of the Board:

Mike Asbury	-	President
Heath Reed-Green	-	Vice President
Carl R. Black	-	Secretary
Leslie Alger	-	Assistant Secretary
Jacob Matto	-	Assistant Secretary

and all of the Directors were present, thus constituting a quorum. Also present at the meeting were Lisa Torres of Crossroads Utility Services LLC, the District's general manager and utility operator; Herb Edmonson of Gray Engineering, Inc., the District's engineer; Allen Douthitt of Bott & Douthitt, PLLC, the District's bookkeeper; Helen Gilbert of Gilbert Wilburn, PLLC; Denise Gordon, a resident of the District; and Jenn Scholl of Armbrust & Brown, PLLC, the District's general counsel.

Director Asbury called the meeting to order at 12:07 p.m. and stated that the Board would first receive citizens' communications and Board member announcements. Ms. Gordon wanted to know why the District's website was not a secured website. **The Board discussed the types of information that was posted on the website and requested that Ms. Scholl investigate what would be required to make the District's website secured and any applicable laws on the topic.** Ms. Gordon then requested that the Board's meeting agenda be posted on the website. **Ms. Scholl stated that she would verify that the meeting agendas were posted on the District's website.**

Director Asbury then stated that the Board would consider approving the minutes of the May 13, 2019 Board meeting. After discussion, upon motion by Director Reed-Green and second by Director Black, the Board voted unanimously to approve the minutes.

Director Asbury then stated that the Board would next discuss the wholesale water and wastewater service, including update on City of Round Rock wholesale rate increases and rate appeal. Ms. Scholl recommended that the Board convene in executive session in order to receive legal advice on the matter and recommended that the executive session take place at the end of the meeting in order to allow consultants to give their reports and leave before the Board went into executive session.

Director Asbury stated that the Board would next consider arbitrage rebate and yield restriction compliance for the District's outstanding bond issues. Ms. Scholl directed the Board's attention to the Annual Maintenance for Arbitrage Analysis Report from Municipal Risk Management Group, L.L.C. attached as **Exhibit "B"**. She stated that the report indicated that no further action was required at this time with respect to most of the prior bond issues; however, she pointed out that a tenth-year arbitrage rebate report was required in 2020 for the District's 2010 refunding bonds. She then presented the engagement letter with Municipal Risk Management Group, L.L.C. for preparation of the ten-year arbitrage rebate report for the 2010 refunding bonds attached as **Exhibit "C"**. Director Alger asked how the fee compared to the fee that was charged for preparation of the five-year arbitrage rebate report. **Mr. Douthitt and Ms. Scholl stated that they did not recall the fee charged for the five-year report but could provide that information at the next Board meeting.** After discussion, the Board decided to postpone taking any action on the engagement letter until the next meeting.

Director Asbury stated that the Board would receive the security report and consider taking related action. Ms. Torres reviewed the security report attached as **Exhibit "D"** with the Board.

Director Asbury then stated that the Board would receive a report from the District's engineer and recognized Mr. Edmonson. Mr. Edmonson presented his report, attached as **Exhibit "E"**, and reviewed it with the Board. Mr. Edmonson reported that the contract for construction of the beautification had been executed by all parties but the work could not start until the license agreement for the project had been executed by the County. Ms. Scholl stated that the license agreement already provided that the District would maintain the District improvements but the County recently requested that the license agreement be revised to specifically state that any trees installed by the District would be trimmed. She then requested that the Board authorize the revisions to the license agreement as requested by the County. Upon motion by Director Reed-Green and second by Director Matto, the Board voted unanimously to approve the revisions to the license agreement and to authorize Director Asbury to execute the license agreement upon final negotiation. Mr. Edmonson then reported that a structural engineer had examined the damage to the CMU wall and determined that the wall was structurally sound and that he had obtained a proposal from a contractor to complete the repairs. He presented the GeoSolutions invoice in the amount of \$675.00, attached as **Exhibit "G"**, for inspection of the wall and the proposal from Beacon Construction Company, Inc. in the amount of \$590.00, attached as **Exhibit "H"**, for the repair work. After discussion, upon motion by Director Reed-Green and second by Director Black, the Board voted unanimously to approve the invoice and the proposal.

Director Asbury next recognized Mr. Douthitt for purposes of receiving the bookkeeper's report. Mr. Douthitt presented the accounting report and updated cash activity report attached collectively as **Exhibit "I"** and reviewed them with the Board. He requested approval of a transfer in the amount of \$7,560.79 from the District's operating account to the bookkeeper's account, a transfer in the amount of \$50,000 from the TexPool Operating Account to the District's operating account, and a transfer in the amount of \$130,000 plus accrued interest from the BancorpSouth Bank CD to the TexPool Operating Account, as indicated on the first page of his report. He pointed out that the District had a negative budget variance of \$3,417.50 and about 98.71% of the District's ad valorem 2018 taxes had been collected. Upon motion by Director Alger and second by Director Reed-Green, the Board voted unanimously to approve the transfers, and payment of the bills and invoices, as presented.

Director Asbury then stated that the Board would receive a report from the District's general manager and utility operator. Ms. Torres presented the operations report attached as **Exhibit "J"**. She reported that water loss was at $\pm 14.48\%$ for the month of April, noting that the increase was likely attributable to the fact that the water used to power wash the CMU walls was not taken into consideration and it was recently discovered that one of the City's meters had been broken in the past. She confirmed that all test results were satisfactory, there were no issues with water quality, and the utility system was generally operating well. Ms. Torres reported that the District was under voluntary watering restrictions, she did not have any write-offs to present, and there were no issues with the website, subject to investigating making the website a secured site and posting the meeting agendas on the website. Ms. Torres reported that the Vista Oaks Owners' Association, Inc. (the "HOA") had requested the District's assistance to repair and maintain irrigation lines within the District. She noted that the HOA had indicated that this was discussed with the District in the past. Director Asbury stated that he did not recall discussing this with the HOA in the past and he asked where the irrigation lines were located, noting that it was his understanding that there was nothing the District could do if the irrigation lines were not owned by the District or located within a District easement. Mr. Edmonson stated that he agreed with Director Asbury's understanding. Director Alger reminded the Board that the HOA requested that the District maintain the irrigation wells in the past but pointed out that the District had concluded that it would be better for the HOA to maintain the irrigation wells in case the District was ever annexed by the City because the irrigation wells would become the responsibility of the City at that point. **Ms. Scholl stated that she would discuss the HOA's request with Mr. Bartram and Mr. Hunt.** Ms. Torres then presented the proposal from SunTech in the amount of \$18,400.00 attached as **Exhibit "K"** for additional lighting on Vista Isle and recommended approval. She stated that installation of the additional lighting on Royal Vista, which was approved at the last meeting, would begin within the next week or two once all equipment had been delivered. Mr. Edmonson requested that Ms. Torres remind SunTech of the irrigation systems that had been installed along Royal Vista so that the irrigation systems were not damaged. **Ms. Torres confirmed that she would make the contractor aware of the irrigation systems.** After discussion, upon motion by Director Reed-Green and second by Director Black, the Board voted unanimously to approve the proposal.

Director Asbury then stated that the Board would receive the attorney's report and recognized Ms. Scholl. Ms. Scholl reviewed the consultant directives report and noted that all prior directives were either complete or in process.

At 12:46 p.m., Director Asbury stated that the Board would next consider matters related to wholesale water and wastewater service and would convene in executive session in order to receive legal advice regarding the City of Round Rock's wholesale rate increases and possible rate appeal, as permitted by Section 551.071 of the Texas Government Code. At 12:59 p.m., the Board reconvened in open session and Director Asbury announced that no action had been taken in executive session.

There being no further business to come before the Board, the meeting was adjourned at 1:00 p.m.

Date: July 8, 2019

(SEAL)



Leslie Alger, Assistant Secretary
Board of Directors